

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 512 – SB 484

May 3, 2017

SUMMARY OF ORIGINAL BILL: Adds prevention initiatives, efforts to improve the build environment, and strategies to improve the health of the population to the list of programs for which Health Access Incentive Account funding may be used by the Commissioner of the Department of Health.

Requires all sales tax revenue remitted by out-of-state dealers acting in compliance with any rule filed with the Secretary of State on or after October 1, 2016, and effective on or before January 1, 2017, to be reported monthly by the Commissioner of the Department of Revenue (DOR) and apportioned into special reserve accounts in the various funds that share in the proceeds of sales tax collections.

Requires such funds to remain in the reserve accounts until the Attorney General certifies that one of the following has taken place: the final resolution of any contested case or suit challenging the abovementioned rule; a federal law regulating states' ability to require out-of-state dealers to collect sales taxes has been enacted; or no party has brought a contested case or suit challenging the abovementioned rule by June 30, 2018.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (008372): Deletes and rewrites the bills such that the substantive changes are to: 1) establish that the Department of Human Services (DHS) is required to supervise the administration of the food stamp and food assistance program in Tennessee and to remove the Department of Labor and Workforce Development's (DLWD) full and complete charge of the employment and employment training programs authorized under the Food Stamp Act of 1977; and 2) authorize service credit for the suspended salary increase that occurred from July 1, 2003, to June 30, 2004 for the following: commissioned members of the highway patrol; commissioned members and electronic alarms technicians of the Division of Motor Vehicle Enforcement; commissioned members of the Tennessee Law Enforcement Training Academy (TLETA); assistant district attorneys; assistant public defenders; public defender investigators; post-conviction defenders; and Tennessee Wildlife Resources Agency's (TWRA) officers, biologists, and other positions unique to TWRA.

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FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

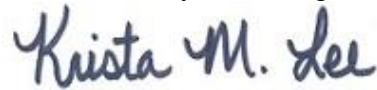
**Increase State Expenditures – \$1,151,200/General Fund
\$297,600/Wildlife Resources Fund**

Assumptions for the bill as amended:

- No additional funds shall be expended from the Health Access Incentive Account as a result of the proposed expansion of the list of programs designed to enhance health access for which such funding may be used.
- The DOR will create the required special reserve accounts and deposit the sales tax revenue remitted by out-of-state dealers acting in compliance with Rule 1320-05-01-.129 utilizing existing resources without a significant increase in state expenditures. The amount of sales tax revenue received by such dealers will not be impacted.
- According to DHS, employment and training programs authorized under the Food Stamp Act of 1977 are required to be under DHS per the United States Department of Agriculture. This transition is currently underway and a memorandum of understanding between DHS and DLWD is being finalized.
- Reinstating the denied service credit in FY03-04 for the specified employees is estimated to result in a recurring increase in state expenditures of \$1,151,164 to the General Fund (\$661,700 highway patrol members, motor vehicle enforcement employees, TLETA members + \$334,406 assistant district attorneys + \$149,669 public defenders and public defender investigators + \$5,389 post-conviction defenders) and of \$297,600 to the Wildlife Resources Fund (TWRA employees).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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